

News sites popular but few click on ads or will pay: report

March 15 2010, by Chris Lefkow



The homepage of the New York Times is displayed on a laptop. A new report highlights that few news consumers who view content through the Internet click on ads and hardly any are prepared to pay for news online.

The good news for traditional US news organizations? Their websites are popular. The bad news? Few news consumers click on ads and hardly any are prepared to pay for news online.

These and other findings are contained in a "State of the Media" report released on Monday by the Pew Research Center's Project for Excellence in Journalism.

The report examines the potential of online revenue models for

traditional news outlets and also the contrasting news agendas of the mainstream press and bloggers and social media.

According to the report, [newspaper](#) ad revenue fell 26 percent last year US newspapers are spending 1.6 billion dollars less annually on reporting and editing than they did a decade ago.

Network television news division resources have been cut by more than half since the late 1980s and ad revenue was down eight percent last year.

Local television newsrooms have shed some six percent of their workforce in the past two years, the report said, and ad revenue was 22 percent lower last year.

Radio ad revenue fell 22 percent in 2009 compared with the previous year and magazine ad revenue was down 17 percent.

Overall online ad revenue also dropped in 2009 -- by five percent -- and only cable television news channels did not suffer declining revenue and [layoffs](#) last year.

"Last year was significantly harder on the news industry even than 2008, and the report predicts still more cutbacks in 2010, even with an improving economy," PEJ director Tom Rosenstiel said.

"And while there is more discussion of alternative ways of financing the news, there is not yet much concrete progress," Rosenstiel said.

The websites of traditional news organizations continue to garner the most traffic -- at least for now, the report found.

Using data from Nielsen NetRatings, it said that of the 4,600 news sites

Nielsen tracks, the top seven percent get 80 percent of the traffic and their collected number of unique visitors grow 9.25 percent last year.

Of the top 200 news sites, "legacy media" account for 67 percent.

Thirteen percent are aggregators such as Google News while 14 percent are online-only sites that produce original content.

"Legacy media still make up the majority of the most popular destinations, although each year newly created websites are joining the list," the report said.

It noted that online ad revenue at US newspapers has failed to keep pace with the steady erosion of print [ad revenue](#).

Seventy-nine percent of the online news [consumers](#) surveyed said they never or only rarely clicked on an online ad. "They don't mind them. They simply ignore them," the report said.

Seventy-one percent of Internet users, or 53 percent of all American adults, get news online, according to the report.

Only 35 percent of online news consumers said they have a "favorite" news website, and of this group, considered the most likely to pay for content, only 19 percent said they would pay to visit their favorite site.

"Because so few online news consumers even have a favorite site this translates to only seven percent of all people who get news online having a favorite online news source that they say they would pay for," the report said.

Currently, the only major US newspaper successfully charging readers for full access online is The Wall Street Journal although Journal owner

Rupert Murdoch has announced plans to erect pay walls around all of his newspapers.

The New York Times has also said it will begin charging on the Web in 2011.

On the news agendas of the mainstream press and bloggers, the report found that the top linked-to news story among bloggers matched the top story in the mainstream press just 13 out of 47 weeks studied.

On Twitter, the top story was the same just four of the 27 weeks studied.

Traditional media continues, however, continues to play a large role in the blogosphere and legacy outlets like newspapers and broadcast networks accounted for 80 percent of all linked-to stories on blogs, the report found.

"While new media -- particularly bloggers -- congregated around different story lines than the national press, it was still traditional outlets that provided most of the original reporting, it said.

Three outlets provided 65 percent of bloggers' linked-to news articles -- The New York Times with 28.7 percent of the links followed by CNN with 18.9 percent and the BBC with 17.6 percent.

The report was compiled from Nielsen data and a December 28-January 19 survey of 2,259 American adults with a margin of error of plus or minus 2.3 percentage points.

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